GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

STARRED QUESTION NO:24
ANSWERED ON:20.02.2006
PRICES OF PULSES
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Will the Minister of AGRICULTURE be pleased to state:

(a) whether the pulses are sold in the market at prices three times higher than their support prices resulting in huge profits to the traders;

(b) if so, the details thereof; and

(c) the reasons for conceding lesser support price to the farmers alongwith the reaction of the Government thereto?

Answer

MINISTER OF AGRICULTURE (SHRI SHARAD PAWAR)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO. 24 DUE FOR REPLY ON 20TH FEBRUARY, 2006.

(a)&(b): The prices of pulses have registered an increasing trend in the recent months. A comparison of Minimum Support Prices and month-end wholesale prices during January − December, 2005 in some of the pulse producing states is given below. MSP and Month − end Wholesale Prices

(Rs. Per quintal)

Pulse	MSP for 2005-06	Centre	Minimum	Maximum	Average
Arhar	1400				
		Morena (UP)	1650	1900	1750
		Chalisgaon (Mah)	1300	1750	1589
		Kanpur (UP)	1720	1820	1760
Moong	1520				
		Morena (UP)	2200	3300	2058
		Kanpur (UP)	1620	2500	2017
		Chennai (TN)	2300	3200	2716
		Bhatinda (Pb.)	2110	3120	2556
Urad	1520				
		Kanpur (UP)	1600	2410	1956
		Chennai (TN)	2101	3000	2484
		Bhatinda (Pb.)	1985	3495	2344
Masur (Lentil)	1535	Kanpur (UP)	1600	1840	1723
		Hapur (UP)	1425	1900	1615
		Kolkatta (WB)	1950	2350	2123
Gram	1435				
		Jaipur (Raj.)	1325	1850	1565
		Kanpur (UP)	1380	1800	1615
		Rohtak (Hy.)	1425	1900	1676

Since the domestic production of pulses is less than the requirement, the market generally offers higher price than the MSP to the farmers.

(c): During the last five years, the MSP of pulses has been increased in the range of Rs. 200 to Rs.335 as shown below.

(Rs. Per quintal)

Pulse	MSP for the Year	Increase over 2000-01
	2000-01	2005-06	
Arhar (Tur)	1200	1400	200
Moong	1200	1520	320
Urad	1200	1520	320
Masur (Lentil)	1200	1535	335
Gram	1100	1435	335

It may be stated that the Commission for Agricultural Costs and Prices (CACP), while formulating its recommendations on price policy considers a number of important factors which include cost of production, changes in input prices, input/output price parity, trends in market prices, demand and supply situation, inter-crop price parity, effect on industrial cost structure, effect on general price level, effect on cost of living, international market price situation and parity between prices paid and prices received by the farmers.

The cost of cultivation/production taken into account includes all paid out costs, such as, those incurred on account of hired human labour, bullock labour/machine labour (both hired and owned) and rent paid for leased in land besides cash and kind expenses on use of material inputs like seeds, fertilizers, manures, irrigation charges including cost of diesel/electricity for operation of pump sets, etc. Besides, cost of production includes imputed value of wages of family labour and rent for owned land. The cost also covers depreciation of farm machinery and buildings. As such, the cost of production covers not only actual expenses in cash and kind but also imputed value of owned assets including land and family labour.